North Central Regional Transit District
Board Meeting
Friday, January 6, 2012

CALL TO ORDER:

A regular monthly meeting of the North Central Regional Transit District Board was called to order on the above date by Chair Rosemary Romero at 1:13 p.m. at the St. Vincent- Hospital, Southwest Conference Room, Santa Fé, New Mexico.

1. **Pledge of Allegiance**

2. **Moment of Silence**

3. **Roll Call**

Roll call indicated the presence of a quorum as follows:

Members Present:	Elected Members	Alternate Designees
Los Alamos County	Councilor Geoff Rodgers [T]	Anne Laurent
Taos County	Commissioner Dan Barrone [T]	
Santa Fé County		Commissioner Danny Mayfield
Rio Arriba County	Commissioner Barney Trujillo	
Ohkay Owingeh		
Pojoaque Pueblo		
San Ildefonso Pueblo		
Santa Clara Pueblo		Ms. Mary Lou Valério (Quintana)
Tesuque Pueblo		

City of Santa Fé	Councilor Rosemary Romero	Mr. Jon Bulthuis
City of Española	Councilor Robert Seeds	

Staff Members Present
Ms. Cynthia Halfar, Executive Assistant
Ms. Kelly Muniz, Financial Director
Mr. Tony Mortillaro, Executive Director
Ms. Linda Trujillo, Service Development & Projects Manager
Mr. Mitch Davenport, Project Manager for the Jim West Transit Center
Mr. Peter Dwyer, Counsel for NCRTD

Others Present
Mr. David Harris, NMDOT
Mr. Bob Sarr, Santa Fé
Mr. Farley Vener, Hinkle & Landers CPA
Mr. Andrew Jandáček, Santa Fé County
Ms. Judith Amer, City of Santa Fé
Ms. Jill Carothers, Los Alamos County
Mr. Pablo Sedilla, Senator Bingaman's Office

NOTE: Because it was a religious holiday for tribes and pueblos, all representatives of tribes and pueblos were excused from attendance at this meeting.

4. Introductions

Those present introduced themselves.

5. Approval of Agenda

Councilor Seeds moved to approve the agenda as presented. Ms. Quintana seconded the motion and it passed by unanimous voice vote.

6. Approval of Minutes for December 2, 2011

Chair Romero moved to approve the minutes for December 2, 2011 as presented. Commissioner Trujillo seconded the motion and it passed by unanimous voice vote.

7. Public Comments

There were no public comments.

ACTION ITEMS FOR DISCUSSION/APPROVAL:

A. Presentation and Acceptance of the FY 2011 Audit

Mr. Vener presented the 2011 Audit Summary using a power point presentation. This is the first time NCRTD has been caught up on audits. This was his third presentation. There were 22 audit adjustments made.

Mr. Bulthuis arrived at this time.

Commissioner Mayfield asked if the audit was by calendar year or fiscal year.

Mr. Vener said the audits were all based on the fiscal year, July 1 - June 30.

Mr. Vener went over the unresolved findings with the Board.

Ms. Muniz reported that the agency's debit card was canceled in April.

Mr. Vener said the per diem policy was unresolved and there were some missing signatures on some disbursements made in the past. The cell phone policy was a finding.

There were no current year findings. He explained that the audit opinion was unqualified.

Chair Romero publicly acknowledged Ms. Muniz's hard work to get this achievement. She noted that the NCRTD audit was now on the state auditor's web site.

Ms. Muniz corrected her. They received the official letter yesterday so it would be on the web site in a couple of weeks.

Councilor Seeds asked how the unresolved findings were being addressed.

Mr. Mortillaro said they had put in the appropriate controls. Reimbursement for travel was now addressed in the new policy. There were just three documents in 2010 without signatures. Since then there have been none. There were checks that required two signatures that only had one and the policy was changed to always require two signatures on checks now.

He said they put in the appropriate controls for cell phone use and there were only six cell phones in the whole agency.

Councilor Seeds said the Board would review the policy in a year's time to make sure it was working.

Commissioner Mayfield asked if the computer program included automatic signatures.

Mr. Mortillaro said no - all check signatures were made manually.

Chair Romero thanked Mr. Vener for presenting the audit to the Board.

Commissioner Mayfield moved to accept the audit as presented. Councilor Seeds seconded the motion and it passed by unanimous voice vote.

B. Long Range Financial Plan and Task Force Recommendation

Mr. Mortillaro presented the Long Range Financial Plan to the Board using a power point presentation. He explained that this provided an opportunity to allow the District to look ahead and anticipate changes over the next ten years.

The Board has talked about allocation strategy and he had presented some options to the Board. At that time, the Board authorized a task force to work with him to find a methodology that would work and then would present a recommendation to the Board.

There were 3 scenarios they constructed after examining 8-9 possible scenarios. They addressed possible changes in GRT revenue over the next 5-6 years. Fares could be charged in the future. They anticipated about a 3% increase in GRT revenue each year. He explained that GRT allocations to member entities were the biggest expense each year. $1.8 million went to the NM Rail Runner and $900,000 to the City of Santa Fé.

He portrayed the three scenarios which pictures the worst case, moderate case and best case and projected the consequences out to 2021. Worst case would impact the Rail Runner, Santa Fé Trails and Atomic City Transit. The moderate scenario suggested they could operate until 2017.

Commissioner Mayfield asked what would happen in dire straits.

Mr. Dwyer said they agreed to the reserve requirements through the state and through the Los Alamos County contract. The worst case called for reduced federal support by 30% and counties by 30%. If that happened, would they would continue to make the same allocations to the Rail Runner, Santa Fé Trails and Atomic City Transit and would have to cut back our own services.

Councilor Seeds asked if the District had contracts with them.

Mr. Mortillaro said they had one with the Rail Runner. The District had a resolution the Board passed for 50% of the Santa Fé County allocation to go to the Rail Runner.

Mr. Dwyer recalled they had a big dispute over the allocation and attempts were made to resolve the Santa Fé issues and it never came to fruition. So they did try to get contracts in place.

Chair Romero said the point wasn't to pit one group against another but to figure out where to reduce. They would try to find the scenario that would best meet everyone's needs.

Mr. Mortillaro agreed and in all of the scenarios, the regional partners were also being hit.

Councilor Seeds said his vision was that we would all support each other. That's my vision.

Mr. Mortillaro said the Best Case Scenario assumed level federal funding and a Los Alamos contribution for the next five years. It would allow continued attention to capital needs. If federal funding was 80/20 the District could consider expansion of routes.

Ms. Laurent thought this didn't make clear the Los Alamos contribution for 5 years.

Mr. Mortillaro said they could add that to the best and moderate scenarios.

Mr. Mortillaro went to the financial strategy that included:

- maintain adequate reserves
- equipment replacement reserve
- one-time revenues for one-time expenses
- stay faithful to district long term goals.
- be careful with reductions of revenue in good times.
- take long term perspective
- review operating cost recovery mechanisms and fare policy.
- review cost sharing opportunities.
- use reserves sparingly and don't go below 25%
- balance low ridership services.

They did a customer satisfaction survey and Mr. Mortillaro would bring a report on it in near future. Initial results were very positive.

He announced that The New Mexican would be doing a story on RTD services.

Ms. Amer asked, since federal funding was so critical, what the District was doing to maximize that. She said the District needed to be aggressive with it.

Mr. Mortillaro said they were working with the New Mexico delegation.

Mr. Sedillo commented on the efforts. The New Mexico delegation worked as a legislative team, looking at existing funding that would be appropriate to continue. They have had some success in funding projects in northern New Mexico. New Mexico was the only state that had an office to coordinate funding for the state. That was why he was here - to listen and find out what the needs were.

Mr. Mortillaro said they also needed to be visible at the national conferences (3 trips out of state including to DC).

Mr. Dwyer asked if they were likely to be cut because the District was small and rural here in New

Mexico.

Mr. Sedillo said they joined with other rural states to achieve equity in funding.

Mr. Harris said DOT was active with PASHTO and State Affairs Committee and the National Transportation Association. They had power with Congress. Those meetings were important from a funding perspective. He anticipated a compromise to avoid drastic cuts and trying to keep funding level. The $1.95 million kept them going.

Mr. Mortillaro said they needed a consolidation review for the four county area. It was difficult and painful but they needed to look at it in the future to assure constituents they were being careful with resources.

Mr. Mortillaro asked the Board to accept the report. At consideration of budget the Board would see it again.

Ms. Laurent endorsed staff participation in collaborative efforts. It was a useful document for us. Councilor Seeds brought up the issue of having to address it anyway so it was good to have the long range agreement ahead but it was hard because of all the moving parts and changes that happen.

Chair Romero said the City of Santa Fé saw this Task Force as the ideal of how to operate and develop items cooperatively. It was good for Dr. Moore who was new. With 30% federal funding, they would need to do everything possible to keep that and maximize their exposure to legislators.

Mr. Mortillaro said he had been working on it almost a year now.

Commissioner Trujillo moved to accept the plan. Councilor Seeds seconded the motion.

Ms. Laurent asked for friendly amendment to include the 5 year period of Los Alamos contribution.

Commissioner Trujillo accepted it as friendly and the motion passed by unanimous voice vote.

C. Approval of Resolution 2012-01: Adoption of a Disadvantaged Business Enterprise Policy

Ms. Trujillo presented this item. She explained that a written DBE program was required of federal funds recipients. These were direct grants directly from FTA over $250,000. We fall under the DOT policy for funds through DOT but on these that were direct, we have to have our own policy to receive money and stay in good standing. They have been reviewed by Mr. Dwyer.

Councilor Seeds asked if the Board had to do this every year.

Ms. Trujillo said it was subject to 3 year review. The Title VI policy also had a limited English proficiency policy for other languages in our service area. She said they were doing English and Spanish.

Councilor Seeds moved to approve the resolution. Commissioner Trujillo seconded the motion and it passed by unanimous voice vote.

D. Approval of Resolution 2012-02: Adoption of a Title VI Policy

Councilor Seeds moved to approve the resolution. Commissioner Trujillo seconded the motion and it passed by unanimous voice vote.

E. Approval of Resolution 2012-03: Authorizing the NCRTD Staff to Seek Funding at the 2012 New Mexico Legislative Session

Commissioner Trujillo moved to approve the resolution. Councilor Seeds seconded the motion.

Commissioner Mayfield asked if they were contracting out for the session.

Mr. Mortillaro said he could not be out there all the time.

Chair Romero understood and add that we need to keep ourselves up on it.

Commissioner Mayfield said his thought was to not hire someone who was representing a competing district.

Mr. Mortillaro said they sent out the request to six individuals and didn't see a conflict.

Councilor Seeds agreed the District needed to be first on their list. Mr. Mortillaro agreed.

The motion passed by unanimous voice vote.

DISCUSSION ITEMS:

F. Update of the Jim West Regional Transit Center

Mr. Davenport reported that the building was moving along well. Soil was big issue. He put together a matrix with 5-6 scenarios and materials they could use to finish the parking lot and portrayed costs and savings of each - concrete, current asphalt design and the ionization of clay soils used around the world.

The least expensive and fastest was the ionization treatment. So he got an engineer to tell us if it would work. Walker Engineering prepared a report and said it would work. Our clay soil didn't quite meet the standard and they could bring in enough clay to make sure it would meet the standard.

He went to the general contractor to put together a price. He had hoped to tell the Board at this meeting

what they would do but didn't yet have it. If the prices came back good, he thought they had done the due diligence to meet it and in the end would have an asphalt parking lot. He believed this would give a better product. He hoped to have the prices today and when he got them, he would meet with Mr. Mortillaro and quickly get it done.

Commissioner Trujillo asked if this was the one used globally but not much in the states.

Mr. Davenport said it had been used limited here but it put less toxins in the ground than asphalt.

Commissioner Trujillo said when he drove by he didn't see apparent work.

Mr. Davenport said it was all going on inside right now.

Mr. Mortillaro said once they decided, the work would go quickly. They did have some frozen ground right now. With some of the options the cost would go up 65% and that was outrageous. The change order that came in closest was this option. They were trying to finesse the change orders to make it work. But right now all he had were the projected costs Mr. Davenport provided - not from the contractor.

Commissioner Trujillo asked if there was a time frame.

Mr. Davenport said as soon as they got the prices, all the parts were in place. He wanted their CEO (of the product) to be on site when they did it. He was flying in next week and he hoped to get it done while he was here but the general contractor was hesitant. If not, he would find out when he could come back.

Mr. Mortillaro said there were some parts for which he didn't need to be here.

Chair Romero said it sounded like it was moving forward.

Mr. Mortillaro agreed but if this didn't work they might have to call a special meeting.

Commissioner Mayfield asked when the building was to be completed.

Mr. Davenport said it was to be done in three weeks. There was a pending request from a subcontractor for a small extension.

Commissioner Mayfield asked if the board could come see it and put the staff in the building to avoid paying rent anymore.

Mr. Mortillaro said City of Española had been very flexible but they had to have a staff parking area. They were working on facilitating occupancy.

Commissioner Mayfield asked if there was a warranty with this product.

Mr. Davenport said it was a typical warranty.

Councilor Seeds said they were going to have to discuss it.

Mr. Davenport said they determined for engineering and cost that the ionization was the best treatment. It was actually better than asphalt for groundwater and environment.

Councilor Seeds knew that almost all of them in that area were asphalt.

Chair Romero understood Mr. Davenport had a plan in place and it was moving. The inside was going faster than the outside.

Commissioner Trujillo asked if this change order would have a one year warranty.

Mr. Davenport agreed; it was all one year - that was state law.

Commissioner Mayfield asked if they would get a separate warranty for that product.

Mr. Davenport said the short answer was no but he could investigate beyond that. The manufacturer's warranty was based on the application.

Ms. Amer asked if there was a performance bond from the contractor. Mr. Davenport agreed.

Commissioner Trujillo asked how would it compare with patching up the asphalt.

Mr. Mortillaro said the asphalt was all removed.

Mr. Davenport added that the engineer would tell you it would fail almost immediately.

Commissioner Trujillo clarified his question was about patching when it fails.

Mr. Mortillaro said the ballast estimate was $1 million and the ionization was $400,000.

Councilor Seeds asked what the original price was for the parking lot.

Mr. Davenport didn't remember but thought it was around $200,000.

Commissioner Mayfield asked if removal of the existing lot was part of the original agreement. Mr. Davenport said it was and reuse of millings. The soils report from two years ago said it was all clay and not to let them get wet.

Councilor Seeds asked if taking the parking lot out of the contract was still possible.

Mr. Mortillaro said that was still one of the options. It was problematic because it also included the sidewalks and all the landscaping.

Councilor Seeds needed to know what the numbers were.

Mr. Mortillaro didn't anticipate this discussion and didn't have those numbers. But he needed to stay within budget and if not, he would come back. Right now it was not over budget.

Chair Romero asked Mr. Mortillaro to email all the information when possible and if it would go over budget, to bring it back to the Board. Mr. Mortillaro agreed.

Mr. Mortillaro explained that to get a price on concrete would require an expensive engineer design first.

G. Financial Report

Ms. Muniz presented the report which was included in the packet. Los Alamos revenue came in quite a bit less than anticipated. At six months the District had 32% of budgeted revenue. She would be coming back in February for the midyear budget corrections. Administration was 45%, Operations - 33% and Capital at 54%.

Commissioner Mayfield asked if the District was on month to month on the Santa Fé office lease. Ms. Muniz agreed.

H. Executive Report for December 2011 and Comments from the Executive Director

Mr. Mortillaro had no comments on the report which was included in the packet.

MATTERS FROM THE CHAIRWOMAN

Chair Romero announced that Ms. Quintana stepped up to chair the Tribal Subcommittee. She thanked Ms. Quintana for agreeing to chair it.

Commissioner Mayfield moved to approve the appointment. Commissioner Trujillo seconded the motion and it passed by unanimous voice vote.

Chair Romero said at the previous meeting Councilor Wismer stepped down as Secretary/Treasurer and Mr. Rodgers offered to step in as interim Secretary/Treasurer until a permanent one was elected.

Chair Romero moved to approve Councilor Rodgers as interim Secretary/Treasurer. Councilor Seeds seconded the motion and it passed by unanimous voice vote.

MATTERS FROM THE BOARD

Commissioner Mayfield asked why, if an alternate was present would the minutes show that they were

absent.

Mr. Mortillaro explained that when they did the summary of attendance, it showed the entity as being present.

Chair Romero asked that it be done that way in the minutes.

Commissioner Mayfield asked about the solution for the vehicle being full on the Edgewood route and what the CDL requirements were.

Mr. Mortillaro explained that buses below the threshold capacity didn't require CDL for the driver. There was some interest in allowing a rider to get a CDL in order to use a larger bus.

Commissioner Mayfield asked if the District could pay for a CDL license if they had enough riders to warrant it. He suggested paying for a CDL trainer to come in and train them.

Ms. Trujillo said that to date all the drivers had come with their own CDL at their own cost. She found it was expensive. It would cost $2,600 for a four week class in Roswell or Albuquerque. Participants would have to take leave from their present job in order to take the course. There were lots of things she had considered and would like to find a way.

Mr. Mortillaro said the District Fleet Manager was a CDL Evaluator.

Ms. Trujillo agreed he could train but he could not certify or test.

Mr. Mortillaro said the course was 80 hours. There were different cost factors.

Commissioner Mayfield thought they should at least offer the opportunity for getting their CDL. He asked if there was any continuing educational requirement.

Ms. Trujillo said it was a physical and renewal every four years. The District insurance paid for their physical.

Chair Romero announced that Mr. Mortillaro was on the County Commission agenda next Tuesday and might have something to include.

Commissioner Mayfield asked if the District got an insurance cost break with a CDL licensed driver in smaller bus.

Mr. Mortillaro said no because the District was self insured through the New Mexico Municipal League.

CLOSED SESSION: Pursuant to NMSA 1978 § 10-15-1.H (2) to discuss limited personnel matters.

Chair Romero moved to go into executive session pursuant to NMSA 1978 § 10-15-1.H (2) to discuss limited personnel matters. Councilor Seeds seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Rio Arriba County, Santa Fé County, Santa Clara Pueblo, City of Santa Fé and City of Española voting in favor and none voting against.

The Board went into executive session at 3:30 pm.

At 3:50 pm the Board decided to return to open session.

Chair Romero moved to return to open session. Councilor Seeds seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Rio Arriba County, Santa Fé County, Santa Clara Pueblo, City of Santa Fé and City of Española voting in favor and none voting against.

MATTERS FROM THE BOARD (continued)

Councilor Seeds asked for the Executive Director to bring the policy for gas card use to the next meeting. Mr. Mortillaro agreed.

Commissioner Mayfield announced the State Centennial ceremony tonight.

Ms. Quintana offered to host the meeting next time.

MISCELLANEOUS

There were no miscellaneous items.

NEXT BOARD MEETING: February 3, 2012 at 1:00 p.m.

ADJOURNMENT

Having completed the agenda and with no further business to come before the Board, the meeting was adjourned at 3:51 pm.

Approved by:

Rosemary Romero, Chair

Attest:

Geoff Rodgers, Interim Secretary

Submitted by:

Carl Boaz, Stenographer